

This record is a partial extract of the original cable. The full text of the original cable is not available.

171127Z May 05

C O N F I D E N T I A L SECTION 01 OF 02 TAIPEI 002214

SIPDIS

STATE PASS AIT/W

E.O. 12958: DECL: 05/17/2015

TAGS: [PGOV](#) [PINR](#) [PREL](#) [TW](#)

SUBJECT: PFP HARDLINERS RESIST COOPERATION WITH DPP

REF: A. TAIPEI 02166

1B. TAIPEI 01525

Classified By: AIT Director Douglas Paal, Reason(s): 1.4 (B/D)

11. (C) Summary: In the wake of the People First Party's (PFP) devastating showing in the May 14 National Assembly election, party hardliners tell AIT they intend to challenge Chairman James Soong over the PFP's recent alliance with President Chen Shui-bian. Several PFP legislators, including Chiu Yi, Lee Ching-hua, Lin Yu-fang, and Sun Ta-Chien, have already publicly demanded that the PFP leadership hold an open debate over cooperation with the ruling Democratic Progressive Party (DPP) and reportedly have threatened to resign if he fails to meet their demands. In preparation for their charge at Soong, PFP hardliners appeared to have won over several Soong loyalists, including Legislators Daniel Hwang (Yi-jiau) and Liu Wen-hsiung. Other Soong loyalists, however, have moved to defend the beleaguered Chairman and his alliance with the DPP. Saying that the malcontents are free to leave anytime, Soong has dismissed this challenge of his leadership. Wounded from two successive election defeats, however, Soong will be under intense pressure to adjust course. If Soong does break with the DPP, it could seriously damage prospects for key legislation, including the Special Defense Procurement Budget. End Summary.

#### Attack of the Hardliners

12. (C) "Deep Blue" (pro-unification) hardliners in the People First Party (PFP) blame Chairman James Soong's accommodation with the DPP for the party's devastating showing in the May 14 National Assembly (NA) election. Party hardliners tell AIT they intend to challenge Soong over the future direction of the party. Several PFP legislators, including Chiu Yi, Lee Ching-hua, Lin Yu-fang, and Sun Ta-Chien, have already publicly demanded that the PFP leadership hold an open debate on the party's cooperation with the ruling Democratic Progressive Party (DPP). Sun Ta-chien, who has been a vocal critic of the February 24 Chen-Soong meeting, noted that everything he had told AIT on the eve of the election has come to pass (Ref A). He told AIT that PFP's poor performance in the NA election was a clear rejection by the PFP voter base of the party's cohabitation with the DPP. Sun acknowledged that, despite his earlier comments to AIT about his bitter resentment of the KMT, he now realizes PFP's future lies with the KMT. He also said that Soong will convene a meeting with PFP legislators and party officials on May 17 at which he and his PFP LY colleagues will try to compel Soong to abandon cooperation with the DPP and seek closer relations with the KMT. Soong told the AIT Director May 17 that he has persuaded all but a few key "mavericks" to accept his continued leadership (Septel).

#### Boycotting DPP LY Proposals

13. (C) Following the NA election, the PFP legislative caucus moved to signal publicly the party's future direction. PFP Legislative Convener Chen Chih-pin announced that the PFP will boycott negotiations with the DPP on all legislation and will oppose the DPP's call for the Legislative Yuan (LY) to hold an extraordinary summer session following the end of the regular session in late May. PFP Caucus Whip Lee Yong-ping told reporters that the PFP will team up with the KMT caucus to implement the "Five Point" communique signed by KMT Chairman Lien Chan and PRC President Hu Jintao as well as the "Six Point" agreement reached by Soong and Hu. She also claimed that Soong has recently said that the PFP does not rule out the possibility of merging with the KMT. (Note: At the beginning of the February LY session, PFP LY members elected Chen Chih-pin, Hsu Yao-chang, and Lee Yong-ping as their caucus leaders, over the objection of Soong who preferred Lee Hung-chun. Chen and Hsu are local politicians with no concrete ideological position but known for their emphasis on consensus-building. Sun told AIT that he urged Lee Yong-ping to stand for election as "our" representative. In the next session, Sun said they intend to elect Lin Yu-fang. End Note.)

14. (C) Open criticisms of the direction Soong has been taking have fueled media speculation that a number of PFP legislators are about to quit the party. Sun Ta-chien, however, told AIT that he intends to stay and that he has convinced Chiu Yi, Lee Ching-hua and other reportedly wayward PFP members thinking of leaving the party to stay and fight the Soong line, using the argument that only by staying can they pry Soong away from the DPP and back into the Pan-Blue mainstream. Pointing to the LY caucus leadership election, Sun asserted that the anti-DPP hardliners have previously challenged Soong and won (Ref B).

#### Eroding Soong's Inner Circle

15. (C) In preparation for their challenge to Soong, PFP hardliners appear to have already won over several Soong loyalists. When AIT arrived in PFP Legislator Daniel Hwang (Yih-jiau)'s office on May 16, Chen Chih-pin was leaving the office. Hwang told AIT that he and Chen would meet with Soong later that day to urge Soong to change his leadership style. Hwang explained that PFP LY members will no longer tolerate Soong's autocratic decision making. Hwang blamed fellow legislator and PFP Policy Chief Vincent Chang (Hsien-yao) for encouraging Soong's dictatorial approach. The camp opposed to any cooperation with the DPP appears to have also won over former LY caucus leader Liu Wen-hsiung. Kevin Lo, a Liu aide, told AIT that Liu is trying to distance himself from Soong. Lo explained that Soong's continued cooperation with the DPP is hurting Liu Wen-hsiung's own chances of winning the Keelung Magistrate election in December. Lo added that only a handful of PFP members -- Vincent Chang, PFP Deputy Secretary General Ma Chieh-ming, and longtime Soong aide Hsia Liung -- now support Soong's desire to continue cooperating with the DPP.

16. (C) Other Soong loyalists, however, have moved to defend the beleaguered Chairman and his alliance with the DPP. PFP Public Affairs Deputy Director Liao Wen-chang told AIT that the lack of effort on the part of the legislators in question is the real reason for the PFP's poor NA election performance. He said the party is better off without these malcontents who are only trying to attract attention for their own political interests. Other senior PFP officials revealed to the media May 16 that Soong has also dismissed his critics, saying they are free to leave if they want.

#### Comment: Soong at a Crossroad

17. (C) Five months after the PFP fared poorly in the December 2004 LY election, Chairman James Soong has finally come to a policy crossroad. Given the PFP's even weaker performance in the NA election last weekend, Soong has few options left. There appears to be little chance that he can ensure the political survival of his personal career or even that of his party. Soong was motivated to seek an accommodation with President Chen Shui-bian and the DPP by his fear of the PFP being swallowed up by the KMT in the wake of the December LY election. The May 14 NA election, however, signaled that the PFP's electoral base prefers Pan-Blue unity over cross-party reconciliation. PFP hopefuls for the December 2005 magistrate and mayoral elections are clearly placing their hopes in union with and nomination by the KMT. Soong will have to decide whether he will acquiesce to the anti-DPP hardliners in order to keep his party together but face eventual, seemingly unavoidable merger with the KMT, or continue his alliance with the DPP with a rump section of the PFP. The ruling DPP, of course, hopes Soong opts for the latter. While this would split the PFP, it could facilitate real DPP-PFP cooperation in the LY. Relations between Soong and the DPP, however, are at low ebb following DPP criticism of Soong's PRC visit as "failed" and Soong's public complaints over Chen's series of pre-election "revelations" over Soong's meetings with PRC officials in the U.S. and under-the-table promises over the Special Defense Procurement Budget.  
PAAL